

GRACE

W. R. Grace & Co.
7500 Grace Drive
Columbia, MD 21044

Voice: (410) 531-4738
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March 31, 2011

In accordance with the consent decree entered by the court on May 3, 2002 between the EPA and W. R. Grace, I have reviewed the material expenditures in the previous quarter and remaining fund balance available to be spent as of March 31, 2011, as provided by Asbestos Related Health Care Project, Inc. (ARHCP). The review consisted of recalculating the balance of the funds available to be spent based on the supporting documentation.

For the quarter ended March 31, 2011, expenditures totaled \$8,089. Expenditures in the quarter were for payments of claims and general administrative costs. Interest income of \$768 was earned during the quarter on the cash balances. The Fund balance as of December 31, 2010 was \$445,788. As of March 31, 2011, the remaining Fund balance available to be spent was \$438,467.

Enclosed with this letter are the ARHCP's financial statements for the quarter ended March 31, 2011, a certification by a Grace corporate official, and a certification by an ARHCP official.

Sincerely,
Josh McElhenney
Finance Manager
W.R. Grace & Co.

W. R. Grace & Co.
7500 Grace Drive
Columbia, MD 21044

March 31, 2011

I certify the information contained in or accompanying this submission is true, accurate and complete. This certification is based on my personal preparation, review or analysis of the submission, and/or supervision of persons who, acting on my direct instructions, made the verification that the submitted information is true, accurate and complete.



William M. Corcoran
Vice President
W. R. Grace & Co. - Conn


Date: 5/3/11

ASBESTOS RELATED HEALTH CARE PROJECT, INC.
P.O. BOX 848
LIBBY, MT 59923

April 12, 2011

Please find attached the required financial report for the three months and three months ended March 31, 2011.

I certify that the information contained in or accompanying this submission is true, accurate and complete. This certification is based on my personal preparation, review, or analysis of the submission, and/or supervision of persons who, acting on my direct instruction, made the verification that the submitted information is true, accurate and complete.



LeRoy Thom
President

Attachments

ASBESTOS RELATED HEALTH CARE PROJECT, INC.

**FINANCIAL STATEMENTS
(Unaudited)**

FOR THE THREE MONTHS ENDED MARCH 31, 2011

EDWARD G. STAMY, P.C.

Member:
Montana Society of C.P.A.'s

CERTIFIED PUBLIC ACCOUNTANT
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Libby, MT 59923
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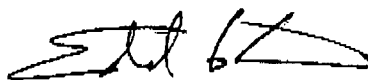
April 12, 2011

ASBESTOS RELATED HEALTH CARE PROJECT, INC.
Libby, Montana

I have compiled the accompanying statement of assets, liabilities and net assets on a modified cash basis of the ASBESTOS RELATED HEALTH CARE PROJECT, INC. as of March 31, 2011 and the related statement of revenues, expenses and changes in net assets on a modified cash basis for the three months then ended and the accompanying supplementary information, which is presented only for supplementary analysis purposes in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Organization which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Organization's assets, liabilities, net assets, revenues, expenses, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Certified Public Accountant

ASBESTOS RELATED HEALTH CARE PROJECT, INC.**STATEMENTS OF FINANCIAL POSITION -
MODIFIED CASH BASIS**

See Accountant's Compilation Report

ASSETS

	March 31,	
	2011	2010
Cash	<u>\$ 438,467</u>	<u>\$ 473,705</u>
TOTAL ASSETS	<u>\$ 438,467</u>	<u>\$ 473,705</u>

LIABILITIES AND NET ASSETS

Unearned Revenue	<u>\$ 144,344</u>	<u>\$ 183,631</u>
TOTAL LIABILITIES	<u>\$ 144,344</u>	<u>\$ 183,631</u>
Unrestricted Net Assets	<u>\$ 294,123</u>	<u>\$ 290,074</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 438,467</u>	<u>\$ 473,705</u>

ASBESTOS RELATED HEALTH CARE PROJECT, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

See Accountant's Compilation Report

For the Quarter and Three Months Ended March 31, 2011 & 2010

	2011				2010			
	Current Quarter		Current Year to Date		This Quarter Last Year		Prior Year to Date	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue
UNRESTRICTED NET ASSETS								
Unrestricted Revenues and Gains								
Interest Income	\$ 768	8.7%	\$ 768	8.7%	\$ 1,302	3.4%	\$ 1,302	3.4%
Miscellaneous Revenue	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Net assets released from restrictions								
Restrictions satisfied by payments	8,089	91.3%	8,089	91.3%	37,541	96.6%	37,541	96.6%
Total Unrestricted Revenues, Gains, and Other Support	\$ 8,857	100.0%	\$ 8,857	100.0%	\$ 38,843	100.0%	\$ 38,843	100.0%
Expenses								
General & Administrative								
TPA Administrative Expense	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Insurance Expense	1,121	12.7%	1,121	12.7%	1,262	3.2%	1,262	3.2%
Accounting Expense	892	10.1%	892	10.1%	1,590	4.1%	1,590	4.1%
Legal Expense	15	0.2%	15	0.2%	-	0.0%	-	0.0%
Recording Secretary Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Postage	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Meeting Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Bank Charges	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total General & Administrative Expense	\$ 2,028	22.9%	\$ 2,028	22.9%	\$ 2,852	7.3%	\$ 2,852	7.3%
Program								
TPA Health Care-screening	\$ 6,202	70.0%	\$ 6,202	70.0%	\$ 14,812	38.1%	\$ 14,812	38.1%
TPA Health Care-supplemental care	(141)	-1.6%	(141)	-1.6%	19,802	51.0%	19,802	51.0%
TPA Health Care-Grace denied, LAMP accepted	-	0.0%	-	0.0%	75	0.2%	75	0.2%
Peer Review Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Program Expense	\$ 6,061	68.4%	\$ 6,061	68.4%	\$ 34,689	89.3%	\$ 34,689	89.3%

ASBESTOS RELATED HEALTH CARE PROJECT, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

See Accountant's Compilation Report

For the Quarter and Three Months Ended March 31, 2011 & 2010

	2011				2010			
	Current Quarter		Current Year to Date		This Quarter Last Year		Prior Year to Date	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue
Total Expenses	<u>\$ 8,089</u>	<u>91.3%</u>	<u>\$ 8,089</u>	<u>91.3%</u>	<u>\$ 37,541</u>	<u>96.6%</u>	<u>\$ 37,541</u>	<u>96.6%</u>
Increase in Unrestricted Net Assets	\$ 768	<u>8.7%</u>	\$ 768	<u>8.7%</u>	\$ 1,302	<u>3.4%</u>	\$ 1,302	<u>3.4%</u>
TEMPORARILY RESTRICTED NET ASSETS								
SEP Funds	\$ 8,089		\$ 8,089		\$ 37,541		\$ 37,541	
Lincoln Co. ARD Task Grant	-		-		-		-	
Net assets released from restrictions								
Restrictions satisfied by payments	<u>(8,089)</u>		<u>(8,089)</u>		<u>(37,541)</u>		<u>(37,541)</u>	
(Decrease) in Temporarily Restricted Net Assets	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	
Increase in Net Assets	<u>\$ 768</u>		<u>\$ 768</u>		<u>\$ 1,302</u>		<u>\$ 1,302</u>	
Net Assets, Beginning of Period	<u>293,355</u>		<u>293,355</u>		<u>288,772</u>		<u>288,772</u>	
Net Assets, End of Period	<u><u>\$ 294,123</u></u>		<u><u>\$ 294,123</u></u>		<u><u>\$ 290,074</u></u>		<u><u>\$ 290,074</u></u>	

SUPPLEMENTARY INFORMATION

ASBESTOS RELATED HEALTH CARE PROJECT INC.**LIBBY ASBESTOS MEDICAL PLAN
ANALYSIS SINCE INCEPTION**

For the Period Ended March 31, 2011
See Accountant's Compilation Report

W. R. GRACE, INC. & LINCOLN COUNTY ARD TASK GRANT
Period 10/01/04 through 03/31/10

	<u>Incurred in Prior Years</u>	<u>Incurred in Current Year</u>	<u>Total to Date</u>
Monies Received:			
W. R. Grace SEP Funds	\$ 2,788,034	\$ -	\$ 2,788,034
Lincoln County ARD Task Grant	1,125,000	-	1,125,000
Total Monies Received	\$ 3,913,034	\$ -	\$ 3,913,034
Expenses:			
General & Administrative			
TPA Administrative Expense	\$ 417,874	\$ -	\$ 417,874
Insurance Expense	27,299	1,121	28,420
Accounting Expense	26,638	892	27,530
Legal Expense	620	15	635
Recording Secretary Expense	2,926	-	2,926
Postage	264	-	264
Meeting Expense	400	-	400
Banking Charges	13	-	13
Total General & Administrative Expense	\$ 476,034	\$ 2,028	\$ 478,062
Program			
TPA Health Care-screening	\$ 1,971,280	\$ 6,202	\$ 1,977,482
TPA Health Care-supplemental care	1,273,739	(141)	1,273,598
TPA Health Care-Grace denied, LAMP accepted	38,547	-	38,547
Peer Review Expense	1,000	-	1,000
Total Program Expense	3,284,566	6,061	3,290,627
Total Expenses	\$ 3,760,600	\$ 8,089	\$ 3,768,689
Unearned Grant Revenue (Grants Receivable)	\$ 152,434	\$ (8,089)	\$ 144,345

ASBESTOS RELATED HEALTH CARE PROJECT, INC.
Health Care and General & Admin. Expense Trends

